

114TH CONGRESS
1ST SESSION

H. R. 2582

IN THE SENATE OF THE UNITED STATES

JUNE 18, 2015

Received; read twice and referred to the Committee on Finance

AN ACT

To amend title XVIII of the Social Security Act to delay the authority to terminate Medicare Advantage contracts for MA plans failing to achieve minimum quality ratings, to make improvements to the Medicare Adjustment risk adjustment system, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Seniors’ Health Care
3 Plan Protection Act of 2015”.

4 **SEC. 2. DELAY IN AUTHORITY TO TERMINATE CONTRACTS**

5 **FOR MEDICARE ADVANTAGE PLANS FAILING**
6 **TO ACHIEVE MINIMUM QUALITY RATINGS.**

7 (a) FINDINGS.—Consistent with the studies provided
8 under the IMPACT Act of 2014 (Public Law 113–185),
9 it is the intent of Congress—

10 (1) to continue to study and request input on
11 the effects of socioeconomic status and dual-eligible
12 populations on the Medicare Advantage STARS rat-
13 ing system before reforming such system with the
14 input of stakeholders; and

15 (2) pending the results of such studies and
16 input, to provide for a temporary delay in authority
17 of the Centers for Medicare & Medicaid Services
18 (CMS) to terminate Medicare Advantage plan con-
19 tracts solely on the basis of performance of plans
20 under the STARS rating system.

21 (b) **DELAY IN MA CONTRACT TERMINATION AU-**
22 **THORITY FOR PLANS FAILING To ACHIEVE MINIMUM**
23 **QUALITY RATINGS.**—Section 1857(h) of the Social Secu-
24 rity Act (42 U.S.C. 1395w–27(h)) is amended by adding
25 at the end the following new paragraph:

1 “(3) DELAY IN CONTRACT TERMINATION AU-
2 THORITY FOR PLANS FAILING TO ACHIEVE MINIMUM
3 QUALITY RATING.—The Secretary may not termi-
4 nate a contract under this section with respect to
5 the offering of an MA plan by a Medicare Advantage
6 organization solely because the MA plan has failed
7 to achieve a minimum quality rating under the 5-
8 star rating system established under section 1853(o)
9 during the period beginning on the date of the en-
10 actment of this paragraph and through the end of
11 plan year 2018.”.

12 **SEC. 3. IMPROVEMENTS TO MA RISK ADJUSTMENT SYSTEM.**

13 Section 1853(a)(1)(C) of the Social Security Act (42
14 U.S.C. 1395w–23(a)(1)(C)) is amended by adding at the
15 end the following new clauses:

16 “(iv) EVALUATION AND SUBSEQUENT
17 REVISION OF THE RISK ADJUSTMENT SYS-
18 TEM TO ACCOUNT FOR CHRONIC CONDI-
19 TIONS AND OTHER FACTORS FOR THE
20 PURPOSE OF MAKING THE RISK ADJUST-
21 MENT SYSTEM MORE ACCURATE, TRANS-
22 PARENT, AND REGULARLY UPDATED.—

23 “(I) REVISION BASED ON NUM-
24 BER OF CHRONIC CONDITIONS.—The
25 Secretary shall revise for 2017 and

1 periodically thereafter, the risk adjust-
2 ment system under this subparagraph
3 so that a risk score under such sys-
4 tem, with respect to an individual,
5 takes into account the number of
6 chronic conditions with which the in-
7 dividual has been diagnosed.

8 “(II) EVALUATION OF DIFFERENT RISK ADJUSTMENT MODELS.—The Secretary shall evaluate
9 the impact of including 2 years of
10 data to compare the models used to
11 determine risk scores for 2013 and
12 2014 under such system.

13 “(III) EVALUATION AND ANALYSIS ON CHRONIC KIDNEY DISEASE (CKD) CODES.—The Secretary shall
14 evaluate the impact of removing the
15 diagnosis codes related to chronic kid-
16 ney disease in the 2014 risk adjust-
17 ment model and conduct an analysis
18 of best practices of MA plans to slow
19 disease progression related to chronic
20 kidney disease.

1 “(IV) EVALUATION AND REC-
2 OMMENDATIONS ON USE OF ENCOUN-
3 TER DATA.—The Secretary shall
4 evaluate the impact of including 10
5 percent of encounter data in com-
6 puting payment for 2016 and the
7 readiness of the Centers for Medicare
8 & Medicaid Services to incorporate en-
9 counter data in risk scores. In con-
10 ducting such evaluation, the Secretary
11 shall use data collected as encounter
12 data on or after January 1, 2012,
13 shall analyze such data for accuracy
14 and completeness and issue rec-
15 ommendations for improving such ac-
16 curacy and completeness, and shall
17 not increase the percentage of such
18 encounter data used unless the Sec-
19 retary releases the data publicly, indi-
20 cates how such data will be weighted
21 in computing the risk scores, and en-
22 sures that the data reflects the degree
23 and cost of care coordination under
24 MA plans.

1 “(V) CONDUCT OF EVALUA-
2 TIONS.—Evaluations and analyses
3 under subclause (II) through (IV)
4 shall include an actuarial opinion
5 from the Chief Actuary of the Centers
6 for Medicare & Medicaid Services
7 about the reasonableness of the meth-
8 ods, assumptions, and conclusions of
9 such evaluations and analyses. The
10 Secretary shall consult with the Medi-
11 care Payment Advisory Commission
12 and accept and consider comments of
13 stakeholders, such as managed care
14 organizations and beneficiary groups,
15 on such evaluation and analyses. The
16 Secretary shall complete such evalua-
17 tions and analyses in a manner that
18 permits the results to be applied for
19 plan years beginning with the second
20 plan year that begins after the date of
21 the enactment of this clause.

22 “(VI) IMPLEMENTATION OF RE-
23 VISIONS BASED ON EVALUATIONS.—If
24 the Secretary determines, based on
25 such an evaluation or analysis, that

1 revisions to the risk adjustment sys-
2 tem to address the matters described
3 in any of subclauses (II) through (IV)
4 would make the risk adjustment sys-
5 tem under this subparagraph better
6 reflect and appropriately weight for
7 the population that is served by the
8 plan, the Secretary shall, beginning
9 with 2017, and periodically thereafter,
10 make such revisions.

11 “(VII) PERIODIC REPORTING TO
12 CONGRESS.—With respect to plan
13 years beginning with 2017 and every
14 third year thereafter, the Secretary
15 shall submit to Congress a report on
16 the most recent revisions (if any)
17 made under this clause, including the
18 evaluations conducted under sub-
19 clauses (II) through (IV).

20 “(v) NO CHANGES TO ADJUSTMENT
21 FACTORS THAT PREVENT ACTIVITIES CON-
22 SISTENT WITH NATIONAL HEALTH POLICY
23 GOALS.—In making any changes to the ad-
24 justment factors, including adjustment for
25 health status under paragraph (3), the

“(vi) OPPORTUNITY FOR REVIEW AND
PUBLIC COMMENT REGARDING CHANGES
TO ADJUSTMENT FACTORS.—For changes
to adjustment factors effective for 2017
and subsequent years, in addition to pro-
viding notice of such changes in the an-
nouncement under subsection (b)(2), the
Secretary shall provide an opportunity for
review of proposed changes of not less than
60 days and a public comment period of
not less than 30 days before implementing
such changes.”.

22 SEC. 4. SENSE OF CONGRESS RELATING TO MEDICARE AD-
23 VANTAGE STAR RATING SYSTEM.

24 It is the sense of Congress that—

(1) the Centers for Medicare & Medicaid Services has inadvertently created a star rating system under section 1853(o)(4) of the Social Security Act (42 U.S.C. 1395w-23(o)(4)) for Medicare Advantage plans that lacks proper accounting for the socioeconomic status of enrollees in such plans and the extent to which such plans serve individuals who are also eligible for medical assistance under title XIX of such Act; and

17 SEC. 5. SENSE OF CONGRESS RELATING TO MEDICARE AD-

18 VANTAGE RISK ADJUSTMENT.

19 It is the sense of Congress that—

Passed the House of Representatives June 17, 2015.

Attest: KAREN L. HAAS,
Clerk.